

COLLECTING PAYMENTS ELECTRONICALLY AT YOUR CENTER

One of the hardest jobs at a childcare center is collecting payments. Getting all of the parents to pay their balances on time is both time consuming and stressful. Additionally, collecting payments in cash and by check is inefficient and time consuming, because the payments must be collected, recorded, and then deposited at the bank. Cash and check payments are also easier to "lose" because of misplacement or theft. Because of this, many centers have delinquency lists and charge off lists from families that left owing a balance.

Child care management software can help you collect and process payments, and reduce delinquent accounts through Electronic Payments. Electronic payments can automate the collection of check (ach) and credit card (cc) payments.

There are two ways that centers can use electronic payments. The difference between them is who initiates the payment. In the first, the parents initiate the payments. This can be done through a web portal such as PayPal, or with a swipe card reader at the center, such as Square. In the second, the center initiates the payment to pull money from the parent account.

Centers may initially feel that providing a more convenient way for parents to initiate and make their payments will result in more on-time payments. The problem is that the centers are still waiting for the parents to make the payment. We have talked to many centers that setup a credit card swipe reader at the center, or a web based portal to make it easier for parents to pay. What they found is that parents who paid late before the new system was added were the same parents who were late after. That is because the real issue is not convenience in making the payment, but delaying the payment. After all, did the parent forget to drop off their child at the center?

In general, most centers would rather have all of the payments on time than to charge late payment fees and spend the time and effort to collect the original payment and the additional fees. This is why having the center initiate the payment works so well. Each period (weekly, biweekly, monthly,) the family tuition or balance is automatically drafted or pulled from the parent account. The parents don't need to be reminded to make their payments, and the parent payments are never late because they forgot. In the consumer world, recurring payments are often setup as automatic drafts to pull money from the parent account (including car finance, mortgages, utilities, student loans, etc.) The only companies that don't promote automatic drafts are credit card companies, but that is because late payments are a profit center.

Our ChildCare Sage includes comprehensive and flexible ACH and CC processing through SafeSave (<https://www.safesave-payments.com/childcaresage/>). Through our system, your center can automatically pull money from parent accounts to make sure you are paid on time, and that you don't have to spend time and effort chasing after parents to collect payments. We also include unique functionality such as:

- 1) automatic convenience fee functionality that you can add to credit card payments,
- 2) ability to collect only the recurring tuition or the total family balance, (ie: let parents pay for additional charges such as late pickup, supply fees, etc separately)
- 3) multiple payment methods per family that you can change at any time (ie: charge a credit card if an electronic check is returned,)
- 4) a wide selection of payment intervals and dates to meet parent needs

For over 15 years, our ChildCare Sage has been the most complete, affordable, and professional childcare management software available. Our software is pc-based, all-inclusive and we never charge extra for modules, extra users, or the ability to store as many inactive children as you want. Our billing and scheduling systems are unique, and can automate any type of charge or schedule, including future rate changes and room changes. Our software comes complete and includes ACH/CC functionality, a software timeclock, CACFP meal tracking and menu planning, payroll, and center expense functionality. We also offer phone, email, and online support to make sure any questions are answered in a timely and complete manner. If you have any questions, please call 866-842-7806 or [email us](mailto:sales@childcaresage.com) (sales@childcaresage.com).